

L24-(1) (750)

NAVY DEPARTMENT
BUREAU OF SHIPS
WASHINGTON, D. C.

April 13, 1942

Sirs:

Reference is made to your company's contract with the United States of America for the acquisition, construction, installation and completion of certain facilities required for national defense and the prosecution of the war, Contract NOD-1538.

The functions formerly performed by the Navy Compensation Board relative to the determination of costs under Navy contracts and the approval of payments to be made by the Government to contractors thereunder have been transferred to the Bureau of Supplies and Accounts of the Navy Department. The Navy Compensation Board will hereafter have cognizance of any disputes that may arise between contractors and the Bureau of Supplies and Accounts in respect of the determination of costs, and any appeals by contractors from any determination of said Bureau as to costs, final settlement of contracts or any other matters affecting payments to or by contractors. These changes in the administrative procedure of the Department require the amendment of your said contract in the following respects:

1. By deleting therefrom the term "Compensation Board" wherever it appears in said contract and all references to said Board, and by substituting therefor the "Bureau of Supplies and Accounts of the Navy Department".

2. By amending the first sentence in paragraph (a) of Article 5 to read as follows: "The true cost to be paid by the Department shall be determined by the Bureau of Supplies and Accounts of the Navy Department and the decision of said Bureau shall be binding on the parties hereto, subject only to the provisions of Article 20 entitled 'Disputes'."

3. By amending Article 20 entitled "Disputes" to read as follows: "Except as otherwise specifically provided in this contract, all disputes concerning questions of fact arising under this contract shall be decided by the Secretary, whose decision shall be final and conclusive upon the parties hereto:

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Provided, however, that all claims of the Contractor, any disputes between the Contractor and the Bureau of Supplies and Accounts in respect of the determination of true costs, and any appeal by the Contractor from any determination of said Bureau as to costs, final settlement of contracts or any other matter whatsoever affecting payments to or by the Contractor, shall be referred in the first instance to the Navy Compensation Board. Pending the settlement of any dispute, the Contractor shall diligently proceed with the work as provided herein".

It is requested that you endorse your approval of the above stated amendments on the three signed copies of this letter which are enclosed, and return same to the Chief of the Bureau of Ships at your earliest convenience.

Respectfully,

S/ A. H. Van Keuren
Chief of Bureau

Federal Shipbuilding & Dry Dock Co.,
Kearny, N.J.

Accepted: April 21 _____ 1942

Federal Shipbuilding and Dry Dock Company

By S/ L. W. Korndorff
President

Enclosures (3)